

CITIZENS' INDEPENDENT TRANSPORTATION TRUST
Budget & Finance Committee Meeting
Tuesday, July 13, 2004
Stephen P. Clark Center
111 NW 1st Street
10th Floor Conference Room
9:00 a.m.

Summary of Minutes (Revised)

Members Present:

Theodore Wilde, Chairman
Luis Morse, Vice-Chair, CITT
Miles Moss

Yolanda Aguilar
Franklin Kelly

County Attorney:

Bruce Libhaber

Others Present:

Betty Alexander, DBD
Maria Arista-Volsky, CAO
Rachel Baum, Finance
Michelle Brown, MDT
Dunbar Cornelle, MDT
Clinton Forbes, MDT
Terry Grant, MDT
Karen MacNeill, MDT
Joanna Santiago, OCITT
David Tinder, PWD
Pepe Valdes, OCITT
John Prats, OCITT

Marlene Amaro, OCITT
Ivis Barba, MDT
Oscar Camejo, MPO
Mayra Bustamante, MDT
Virginia Diaz, OCITT
Jack Furney, OCITT
Regla Lee, MDT
Sandra Melean, PWD
Delroy Tomlinson, MDT Rehab
Bonnie Todd, MDT
Jennifer Wilkins, MDT Rehab
Carmen Villaverde-Menendez, OCITT

Mr. Theodore Wilde, Chairman, called the meeting to order at 9:15 am and since there was no quorum, he asked that the agenda be taken out of order and requested staff to begin with report items.

Reports - Financial Consultant – RFP 427A Projected Timetable

Proposals will be delivered to the members of the Selection Committee on July 14, 2004. The meetings are scheduled for July 26, to review the proposals and July 29, if necessary, for oral presentations. Mr. Bruce Libhaber, Assistant County Attorney, mentioned that the discussions of this item can only take place at publicly noticed meetings since it is under the Cone of Silence.

ROLL CALL

Mr. Wilde announced quorum at 9:25 am, with Mr. Miles Moss' presence.

APPROVAL OF AGENDA

Mr. Moss moved approval of the agenda. The motion was seconded by Mr. Franklin Kelly and carried without dissent.

APPROVAL OF MINUTES – May 13, 2004

Mr. Moss moved approval of the minutes. The motion was seconded by Mr. Kelly and carried without dissent.

CITIZEN'S COMMENTS - None

CITT Monthly Report

Mr. Furney explained in detail the following two reports: "Surtax Proceeds by Fiscal Year" and "Charter County Transit System Surtax Collection Report".

Mr. Wilde mentioned FY 2003 included only 9 months of surtax collections and was 12% lower than what was anticipated due to the slowness in the ½ cent being collected or transmitted. The increases this year seem so substantial that we may be very close to the Pro Forma estimate of \$163 Million for this fiscal year.

OCITT Budget

Mr. Furney mentioned that they are bringing the Budget back to the Committee after going through the County's budget process and estimates have been revised to reflect a budget of \$2.8 Million. The Financial Advisor was originally in the Budget, but since it will not be contracted for this year, we will not be spending the \$125,000 that is included in the \$2.8 Million.

Mr. Wilde asked about the staffing positions and if they were on board. Mr. Furney reported that the current OCITT budget for FY05 had budgeted 17 staff positions. For FY04, there are three as temporary positions. The Committee had previously directed staff to bring on board temporary accounting help. Staff went through the interview process but there is no authority to make an offer at this time. The Executive Director's approval is required.

Mr. Moss asked if they can vote to authorize that hiring. Mr. Libhaber commented that the hiring has to be done by the County Manager's office. Mr. Moss made a motion that a resolution be drafted directing the Executive Director to request authorization for the County Manager to fill this temporary accounting position. Ms. Aguilar seconded that motion and it was carried without dissent.

Action Items

Mr. Wilde welcomed Ms. Rachel Baum, Director of Finance, and moved to discuss Action Item No. 6-B:

"RESOLUTION BY THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST APPROVING THE BOARD OF COUNTY COMMISSIONERS' ACTION AUTHORIZING A LOAN FROM THE SUNSHINE STATE GOVERNMENTAL FINANCING COMMISSION (SUNSHINE COMMISSION) IN THE AMOUNT NOT TO EXCEED \$100 MILLION FOR PAYING OR REIMBURSING THE COST OF ACQUIRING CERTAIN TRANSIT ASSETS".

Mr. Morse asked about the usage of the advanced funds approved and transferred to MDT for the bus purchases. Mr. Wilde mentioned that a memo/report is needed from MDT on the usage of these funds already transferred for the bus purchases.

Mr. Morse asked for a flowchart from MDT to better visualize where the dollars approved by the CITT have gone. His impression is that if the dollars were approved and transferred to purchase the buses, how is it that MDT is financing the buses now?

Mr. Wilde said we should have a separate meeting on the issue; he is asking that MDT become part of that discussion with some representatives from the CITT. Mr. Morse expressed his concern with these individual meetings.

Mr. Wilde explained in detail, that the CITT needs a resolution voiding the previous resolution and a new one showing how that money is going to be spent.

Ms. Baum mentioned that MDT is \$230 Million in the red in the MDT Operating Fund, and that the year needs to be settled by September 30, 2004.

Ms. Bustamante mentioned that the money that comes from the CITT will support not only additional services. They have viewed it as one system, not differentiating between existing and additional services. That was the basis of the conversation in the "white paper".

Mr. Wilde mentioned that his comment will be that even if that is done there is no way that would happen without an amendment to the PTP. He requested a legal opinion to which Mr. Libhaber replied that his conclusion was correct. Mr. Morse stated that the only way that can be solved is if the BCC takes up the issue and takes a policy position that every dollar that comes in will go into a big pot, and that way they can spend the money from it.

Ms. Baum requested that the Sunshine Loan be finalized. Mr. Moss moved the motion and Mr. Kelly seconded, and it was carried without dissent. Mr. Wilde thanked Ms. Baum for staying for the discussion.

Proceeding to the discussion of Item 5-C, Mr. Furney explained the OCITT Budget. Mr. Moss asked about the 14 positions. The approval is contingent on a classification form and is approved as part of the Table of Organization based on the submission of the Executive Director.

It was suggested that given the new Director will be on board soon, that would be the time to review the classifications and submit them.

Surtax and Projections

Ms. Marlene Amaro explained that these are the projections for the current fiscal year by municipality and that staff has worked closely with the Public Health Trust and the Office of Strategic Business Management to be accurate and conservative in our projections. The \$156.689 Million was actually the Public Health Trust estimate; since the CITT number was slightly higher, the decision was made to go with the lower number to be conservative. With the projections for FY05, the same methodology has been used; the figure of \$161.053 Million is PHT's number. This is the number that will be reflected in the County's Budget book. Mr. Wilde mentioned that the numbers are \$6 Million below the Pro forma projections and for next year \$9 Million below.

For FY04-05 the municipal population data has been updated in accordance with the Ordinance. We will begin using the surtax distributions based on the new population the next

Fiscal year (October 2004). Mr. Morse suggested talking to Ms. Virginia Diaz, External Affairs, and begin to contact all municipalities to get their concurrence.

Mr. Libhaber stated that there can be a resolution to forward a letter advising the League of Cities and its members this is what we are suggesting and that the Board supports it. It was moved to be a motion from the External Affairs Committee.

MDT Report

Mr. Wilde noted that the report shows from the report that there is a deficit in the projection of fares of \$6.6 Million and a deficit on other revenues of \$8 Million, about \$15 Million below expected revenues. In the expenses, the actual is \$16 Million over. In a sense there is a \$30 Million gap in the budget. Ms. Bustamante stated the numbers would be adjusted when the money comes at the end of the year.

Contract Approvals

Ms. Bustamante mentioned that a pre-meeting was held (Costing Consultant) and only three people showed up. Mr. Furney requested information on the large number of retroactive contracts pending CITT approval. Ms. Bustamante said Procurement Management had a meeting with the County Attorney's office and discussed the way the contracts will be looked at by the CITT. Contracts from now on will have language that says that the portion related to MDT will have to be presented to the CITT. Ms. Bustamante mentioned that from now on MDT would bring to the CITT all the items that are being presented to the Board, and ended saying they will get the updated list and will present it to the Board.

Action Item 6-A

A. RESOLUTION BY THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST RECOMMENDING TO THE BOARD OF COUNTY COMMISSIONERS (BCC) THAT THE PEOPLE'S TRANSPORTATION PLANS (PTP) TRANSIT CAPITAL PROJECTS LIST BE AMENDED TO INCLUDE THE PROCUREMENT OF TWELVE (12) METROMOVER VEHICLE CARS IN LIEU OF THEIR REHABILITATION

Mr. Morse requested information on what MDT is going to do with the Metromovers that are not going to be rehabilitated. Mr. Clinton Forbes, MDT, mentioned that there is no decision on what is going to be done. A request has been forwarded to Washington Group to provide MDT with a matrix as to what the possibilities will be. Mr. Morse requested that as soon as the information is available that it be forwarded to the CITT. Washington Group determined that it was more cost effective to purchase the mover vehicles versus replacing. The new vehicles will have a 20-year lifespan (versus 10 years for the rehabbed vehicles) and will be delivered sooner.

Mr. Wilde asked if there is a report from the Washington Group. Mr. Forbes responded that there is a report. Mr. Wilde commented that it seemed to be an item for the Project Review Committee and suggested that since it was going to the Project Review Committee the next day, to come with the report to the meeting.

Mr. Morse commented that the way he perceived the buy versus rehab issue is that it should provide significant savings over the Pro Forma by having brand new vehicles, especially in terms of maintenance and service. Mr. Morse mentioned that he would like to see where the savings are captured.

Several members expressed concerns about how the increased cost of the Metro mover rehabilitation/purchase may negatively impact other PTP projects. Mr. Moss made a motion to approve; it was seconded by Mr. Kelly, and carried without dissent.

Action Items 6-C and D

C. RESOLUTION BY THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST APPROVING THE BOARD OF COUNTY COMMISSIONERS' ACTION AUTHORIZING THE USE OF SURTAX FUNDS FOR CONTRACT NO. 6402-0/04 FOR THE PURCHASE OF 40-FOOT LOW-FLOOR TRANSIT COACHES WITH NORTH AMERICAN BUS INDUSTRIES FOR THE IMPLEMENTATION OF BUS SERVICE IMPROVEMENTS AS MANDATED BY THE PEOPLE'S TRANSPORTATION PLAN

D. RESOLUTION BY THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST APPROVING THE BOARD OF COUNTY COMMISSIONERS' ACTION AUTHORIZING THE USE OF SURTAX FUNDS FOR CONTRACT TA03-MB2 FOR THE PURCHASE OF SEVENTY (70), 30-FOOT LOW FLOOR TRANSIT COACHES (MINI TRANSIT BUSES) WITH NORTH AMERICAN BUS INDUSTRIES (NABI) FOR THE IMPLEMENTATION OF BUS SERVICE IMPROVEMENTS

Mr. Furney stated that these contracts are in place but not previously approved by the CITT and they are now coming back to seek the CITT approval. Buses have already been purchased and CITT has reimbursed MDT for the purchase of some of them. Ms. Bustamante mentioned that the 40-foot bus contract was approved in May of 2000 before the surtax; and the 30-foot was approved on January 23, 2003.

Mr. Morse stated for the record that the 30-foot bus contract was for new expanded service in concurrence with the PTP. The 40-foot bus contract did not specify the number of buses to be purchased. When the PTP passed they realized that they needed to buy more buses and accessed an existing contract that had a low price for the buses. Mr. Libhaber mentioned both resolutions should read, "Authorizing the use of surtax funds". Mr. Wilde requested the change of language and Mr. Libhaber changed the resolution by the CITT approving the BCC action awarding Contract No. 6402-0/04, and authorizing the use of surtax funds (the rest stays the same). It was moved by Mr. Moss and seconded by Mr. Kelly and carried without dissent.

Action Item 6-E

E. RESOLUTION BY THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST APPROVING THE BOARD OF COUNTY COMMISSIONERS' ACTION AUTHORIZING THE COUNTY MANAGER TO EXECUTE A CONTRACT BETWEEN WACKENHUT CORPORATION AND MIAMI-DADE TRANSIT FOR PROVISION OF SECURITY SERVICES WITH A TOTAL COMPENSATION CEILING NOT TO EXCEED \$89.5 MILLION

Mr. Wilde mentioned that this action item would be on the Agenda of the Project Review Committee Meeting.

Sole source questions were answered by Ms. Bonnie Todd, MDT.

Mr. Morse questioned if the PTP will have to pay for the totality of the Wackenhut contract, saying he objected to resolutions authorizing wide-open amounts.

Several members expressed concern that there was no cap on the amount of Surtax funds for contracts and agenda items. Ms. Bustamante stated that the only way the CITT will pay MDT will be through invoices and the work plan, which has the line item. She added that if there is a change to the formula, it would have to come back to the CITT. Ms. Aguilar was concerned that if the billing comes before the authorization to pay the CITT, in essence, is rubber-stamping something that has already been done. Ms. Bustamante specified that the only way the money will go to MDT will be after the formula and other issues are resolved. After some discussion, Ms. Aguilar emphasized that there should be a better formula in place for the CITT to be able to become the watchdogs of surtax funds they are supposed to be. Ms. Bustamante suggested that pending final approval of the formula, a workshop could be held so the CITT can see how MDT is working.

Mr. Libhaber stated that what would alleviate some of the members' concerns is that if and when a formula is approved, a condition be set that all existing and future contracts be limited to the adopted formula. Whenever an amount went above that approved formula, it would have to be brought back to the Commissioners and the Trust. Mr. Morse asked if it could be added to future contracts. It was agreed.

Mr. Wilde moved the resolution and asked the members to raise their hands. Ms. Aguilar expressed her reservations. The motion was passed.

Mr. Libhaber drafted a resolution as follows: "Resolution that all future contracts include language referencing a formula approved by the BCC and CITT or a cap as to maximum amount of surtax funds to be utilized". He also mentioned that if there is a formula that requires CITT action then it will need BCC approval as well. Mr. Wilde moved the item and Mr. Moss seconded and it was carried without dissent.

Mr. Wilde motioned to adjourn the meeting. Ms. Aguilar moved the motion and Mr. Kelly seconded. Meeting was adjourned at 12:55 p.m.

*****MINUTES ARE IN SUMMARY FORM*****

**FOR VERBATIM TRANSCRIPTIONS OF THIS MEETING PLEASE REQUEST COPIES OF
THE TAPE FROM THE MIAMI-DADE OCITT OFFICE 305-375-3481**